

WARNING-UNAPPROVED MINUTES

These minutes have not been reviewed or accepted by the RISLA Board of Directors. This draft is being supplied in order to be in compliance with the State Open Meetings Law. Board approved minutes will be submitted when available.

The 267th meeting of the Rhode Island Student Loan Authority was held on **Thursday, April 30, 2009** in the 1st floor Conference Room, 560 Jefferson Boulevard, Warwick, Rhode Island.

Board Members in attendance:

Dr. Anthony Santoro
Dr. Robert McKenna
Dr. William Croasdale
Ms. Patti Doyle
Mr. Xay Khamsyvoravong, designee for General Treasurer Caprio

Board Members Absent:

Mr. John Howell

Others in attendance:

Mr. Charles P. Kelley, Executive Director, RISLA
Mr. Noel Simpson, Chief Financial Officer, RISLA
Mr. Joseph Palumbo, General Counsel
Mr. Dave Souto, Deputy Director, RISLA
Ms. Gail Mance-Rios, Deputy Director, RIHEAA
Ms. Lindie Thibodeau, RISLA
Ms. Delia Rodriguez, RISLA
Ms. Gail Walker, RISLA
Mr. Greg Silva, RIHEAA
Mr. Bill Bianchi, RISLA
Mr. David DeBlois, RISLA
Mr. William Hurry, RIHEAA

The meeting was opened by Dr. Santoro at 9:30AM.

Upon a motion duly made by Dr. Croasdale and seconded by Dr. McKenna, it was unanimously

VOTED : to accept the minutes from the February 26, 2009 and March 26, 2009 board meetings.

Chairman's Report:

Dr. Santoro stated that there was nothing to report, per se, but said that the federal situation should be interesting. The RIFEL loan cannot get insured without the state offering a moral commitment, so RISLA will have to put money into the loan program, like last year.

Upon a motion duly made by Dr. McKenna and seconded by Ms. Doyle, it was unanimously

VOTED: to go into executive session pursuant to RIGL §42-46-5(a)(1) to discuss a matter involving the investment of public funds.

The open session reconvened at 10:07 A.M. No votes were taken while in session.

Executive Director's Report:

Mr. Kelley stated that at next month's Board meeting the topic of what to do when a student passes away and the private loan is not forgiven. David Souto is looking into finding a private insurer for these loans for the parents. Mr. Bianchi shared the story of a happy customer dealing with RISLA staff about a pre-claim client and Mr. Palumbo commended Mr. Bianchi and his staff for work well done. Mr. Kelley stated that both he and Mr. Simpson spoke with Neil Downing at the Providence Journal yesterday about a student loan article in the paper to run soon – the meeting was very positive. Ms. Thibodeau gave a web presentation of the financial literacy website with all its updates.

ACTION ITEM: Authorizing Resolution for RIFEL Bond Issue

Dr. Santoro asked the Board if they had read over the proposal around the RIFEL bond issue.

Upon a motion duly made by Ms. Doyle and seconded by Dr. McKenna, it was unanimously

VOTED: to approve the resolution for the RIFEL bond issue.

ACTION ITEM: Budget

Mr. Kelley stated that the proposal for the budget is \$719,000. Both the underwriter and the bond counsel RFPs were awarded to the qualified low bidders. Dr. Santoro asked if we would need insurance – wouldn't this be an uninsured bond? Mr. Kelley stated that if it goes to an insurer, at least half of the loans would have to go into immediate repayment, and most parents and students want deferred payments if possible. Dr. Croasdale asked if the delinquency and defaults have gone up, and Mr. Kelley said no. Mr. Kelley stated that this would be not in excess of \$50 million, most likely \$40 - \$45 million.

Upon a motion duly made by Dr. Croasdale and seconded by Dr. McKenna, it was unanimously

VOTED: to accept the budget.

ACTION ITEM: Resolution for Conduit

Mr. Palumbo stated that this has been reconfigured to satisfy requirements from the government

Upon a motion duly made by Dr. Croasdale and seconded by Ms. Doyle, it was unanimously

VOTED: to accept the resolution with the new wording.

ACTION ITEM: Selection of Financial Auditors

Dr. Croasdale stated that the Financial Subcommittee met and recommends that the RFP be awarded to the lowest bidder, Braver (used to be Prescott).

Upon a motion duly made by Dr. Croasdale and seconded by Ms. Doyle, it was unanimously

VOTED: to accept Braver as the Financial Auditor.

Update: Washington Report

Mr. Kelley stated that Washington is in a state of flux, and things don't look very good for the FFELP program. RISLA *may* consider doing reverse tenders to buy back our own loans. Dr. Santoro asked if this was a moral concern for any Board members, and Mr. Kelley stated that Indiana has already done this and shared their information with us. Mr. Kelley suggested that it be \$10 million next year, but over time could be \$50 million. Mr. Simpson stated that this will have no impact on students, just investors. Dr. Santoro asked if RISLA should pursue this repurchase.

Upon a motion duly made by Dr. McKenna and seconded by Ms. Doyle, it was unanimously

VOTED: to go into executive session pursuant to RIGL §42-46-5(a)(1) to discuss a matter involving the investment of public funds.

The open session reconvened at 11:02 A.M. During the closed session a resolution was passed to sell \$110 million of participatory loans to the federal government.

Upon a motion duly made by Dr. Croasdale and seconded by Ms. Doyle, it was unanimously

VOTED: to adjourn.

Adjournment occurred at 11:05 P.M.

John Howell
Secretary